GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1412
ANSWERED ON:10.03.2008
SUGARCANE PRODUCTION
Agarwal Shri Dhirendra;Ananth Kumar Shri ;Prasad Shri Hari Kewal

Will the Minister of AGRICULTURE be pleased to state:

(a) whether any scheme for increasing production and quality improvement of sugarcane is being implemented;

(b) if so, the details thereof alongwith the funds allocated under the said scheme during the last three years, State-wise;

(c) whether sugarcane farmers across the country are facing problems; and

(d) if so, the details thereof and action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) to (d): Yes, Sir. To increase the production and improvement of quality of sugarcane, a Centrally Sponsored Scheme of Sustainable Development of Sugarcane Based Cropping System (SUBACS) under Macro Management Mode of Agriculture is under implementation in different States. The Scheme provides assistance for field demonstrations, training of farmers and extension workers, farm implements / machinery, heat treatment plant, production of planting material and drip irrigation. The state-wise funds allocated under the scheme during last three years are enclosed. The Ministry of Consumers Affairs, Food and Public Distribution have taken various steps / measures to provide relief to sugar mills and sugarcane farmers. The important steps/ measures taken are as under:-

i) The Government has created a buffer stock of 50 lac tons in 2006-07 sugar season,which would involve an annual subsidy amount of Rs. 880 crores (approx) to be borne from the Sugar Development Fund. The banks provide additional credit on creation of buffer stock. The buffer subsidy amount and the additional credit are to be used for payment of cane price including cane price arrears as a first priority.

ii) Export assistance is provided on internal transport, marketing and handling charges and ocean freight @ Rs. 1350/- per ton for sugar factories located in coastal areas and Rs. 1450/- per ton for sugar factories located in non-coastal areas for a period one year with effect from 10th April, 2007. This assistance provided shall also be used for payment of cane price arrears of farmers, as a first priority.

iii) A special Scheme has been notified for extending financial assistance to sugar mills from the banks where full interest subvention (limited to 12%) will be provided to all banks for the total duration of the loan. This will help the mills towards payment of cane price including cane price arrears.

iv) Making 5% blending of ethanol with petrol mandatory across the country, except in J & K, North Eastern States and Island Territories and to make 10% blending optional from October, 2007 and mandatory from October, 2008, excepting in the areas mentioned above;

v) Reduction of customs duty from 7.5% to 5% on `denatured alcohol` and from 10% to 5% on molasses and to implement the same only when mandatory ethanol blending at 5% level is operationalized in the country;

vi) Permitting sugar factories to produce ethanol directly from sugarcane juice to augment availability of ethanol and reduce over supply of sugar.